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Delaware Digest

Labor Market Monthly

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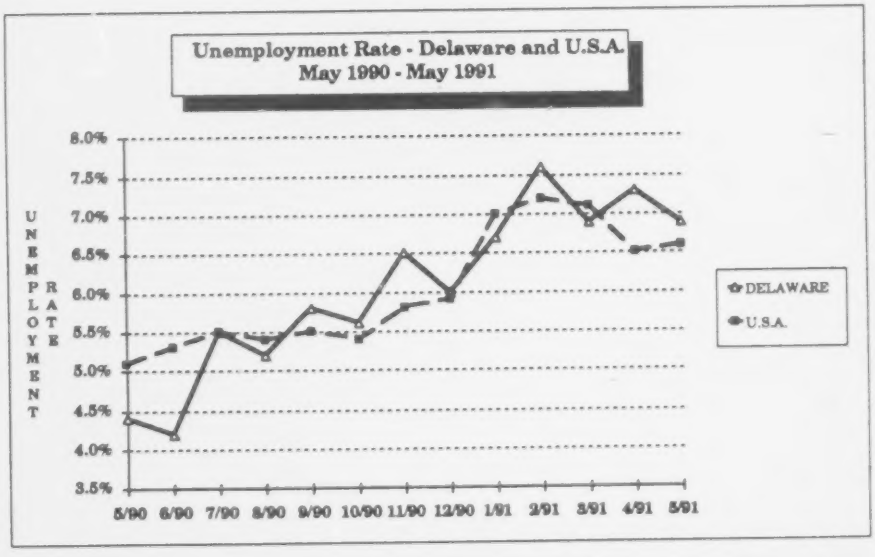
Delaware Department of Labor
Office of Occupational & Labor Market Information

Recall of Auto Workers and Seasonal Hiring Drive Jobless Rate Lower

Delaware's unemployment rate dropped to 6.9% in May, 1991 from a revised rate of 7.3% in April, 1991 due mostly to the recall of auto industry workers from temporary layoff as well as expected seasonal hiring. The rate in May, 1990 was lower at 4.4 percent. The number of jobless Delawareans in May, 1991 was 25,300 compared to 16,100 during the same month last year. From May, 1990 to May, 1991, Delaware's labor force grew from 363,100 to 366,700.

Total nonagricultural employment grew by 8,800 over the month to 346,600 jobs. Over-the-month job gains were in **manufacturing** (transportation equipment; and food products); **services** (seasonal gains in amusement and recreation; and business services); **wholesale and retail trade** (eating and drinking places); and **contract construction** (heavy construction). There were no significant over-the-month job losses.



For information about the unemployment rate, occupational projections, women in the workforce, the Delaware Occupational Information System (OIS), or any other Labor Market Information, contact the Office of Occupational and Labor Market Information at (302) 368-6960.

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Labor Force Trends

Delaware's unemployment rate dropped to 6.9% in May, 1991 from a revised rate of 7.3% in April due mostly to the recall of auto industry workers from temporary layoff. Expected seasonal hiring in such industries as amusement and recreational services and restaurants was also a factor in driving the rate lower. The rate in May, 1990 was at a pre-recessionary level of 4.4 percent. The number of jobless Delawareans was 25,300 compared to 16,100 in May, 1990. Nationally, the unemployment rate was 6.6% in May, 1991, the second consecutive month the national figure was lower than Delaware's jobless figure. For the remainder of 1991, we expect Delaware's jobless rate to track closely to the national rate.

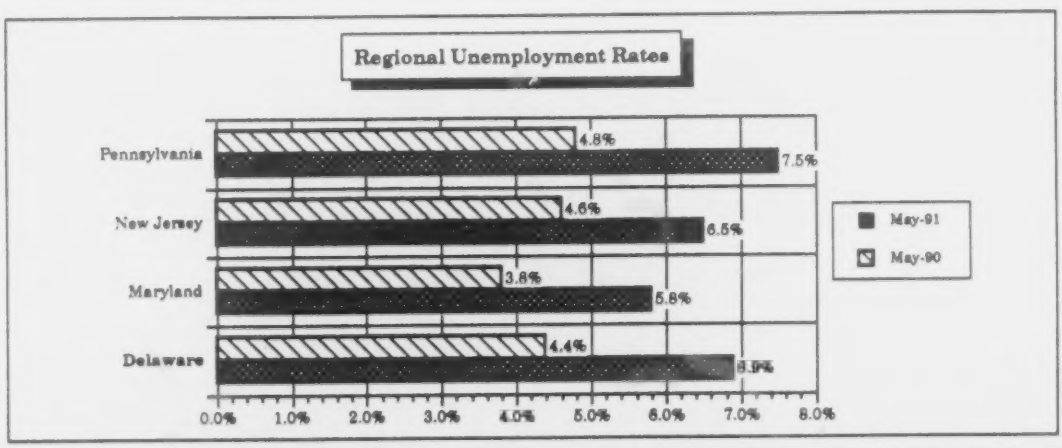
From May, 1990 to May 1991, the State's labor force rose slightly from 363,100 to 366,700. The estimate of employed residents is down over the year from 347,100 to 341,400.

According to estimates from the Current Population Survey, nearly one-third of Delaware's unemployed are new and re-entrants to the workforce. This is a higher proportion than in the past and indicates that recent graduates and other new job seekers continue having difficulty finding full-time, permanent positions. This trend will probably continue for the next several months as employers remain cautious despite a slight improvement in national economic trends.

Delaware's Civilian Labor Force

	May 1991	April 1991	May 1990
Civilian Labor Force	366,702	363,541	363,137
Employment	341,385	336,859	347,077
Unemployment	25,317	26,682	16,060
Unemployment Rate	6.9	7.3	4.4
National Unemployment Rate	6.6	6.5	5.1

Despite continued sluggishness in the local job market, some seasonal opportunities exist in resort-related jobs, food processing, restaurants, and outdoor activities. Generally, employment rises significantly during the summer months, but only modest increases are expected for the remainder of this summer. The auto industry is planning retooling activities in late summer and this will affect the unemployment rate. Considering the factors of rising seasonal employment, offset by a continued sluggish economy, the outlook for the remainder of the summer is for higher-than-normal unemployment rates above the 6% range.



Local Area Unemployment Statistics

May 1991 - Preliminary

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	366,702	341,385	25,317	6.9
2. Wilmington, PMSA	317,571	296,036	21,535	6.8
3. New Castle County	249,184	232,714	16,470	6.6
4. Balance of NCC (1)	214,229	201,218	13,011	6.1
5. Wilmington City	34,955	31,496	3,459	9.9
6. Newark City	14,297	12,995	1,302	9.1
7. Kent County	52,938	48,217	4,721	8.9
8. Sussex County	64,580	60,454	4,126	6.4
9. United States (000's) (Non-Seasonal)	124,857	116,624	8,233	6.6
10. United States (000's) (Seasonal)	125,232	116,591	8,640	6.9

April 1991 - Final

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	363,541	336,859	26,682	7.3
2. Wilmington, PMSA	316,499	291,298	25,201	8.0
3. New Castle County	248,439	229,008	19,431	7.8
4. Balance of NCC (1)	213,998	198,014	15,984	7.5
5. Wilmington City	34,441	30,994	3,447	10.0
6. Newark City	13,596	12,788	808	5.9
7. Kent County	52,379	48,439	3,940	7.5
8. Sussex County	62,724	59,413	3,311	5.3
9. United States (000's) (Non-Seasonal)	124,727	116,678	8,049	6.5
10. United States (000's) (Seasonal)	125,672	117,398	8,274	6.6

(1) Balance of NCC equals New Castle County minus Wilmington City

NOTE: Due to rounding, totals may not add and data may not match similar statistics published in various other state or National releases.

Industry Trends

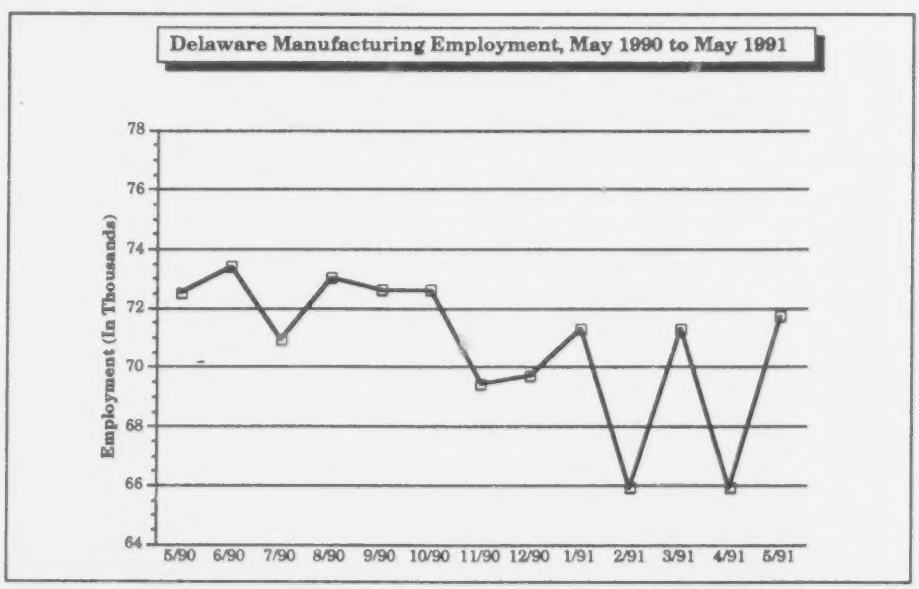
Between April and May of this year, Delaware's nonagricultural employment rose by 8,800 to 346,600 jobs. **Manufacturing** saw the biggest gain with the recall of 5,600 auto workers in the transportation equipment industry following a temporary layoff. Discounting the affect of the auto industry, there was a gain of about 3,200 jobs. **Services** had increases throughout with the largest gains in amusement and recreational services. **Wholesale and retail trade** saw gains due to increased employment in eating and drinking places. **Contract construction** showed an increase in heavy construction (highway and road contractors) with no losses in general building and special trade contractors.

Typically, there is a large increase in jobs between April and May due to seasonal hiring. Over the past eight years, the April-to-May gain has averaged 3,600 jobs. The increase this year in the non-auto sector employment compares favorably with past trends. This may indicate that the job market is beginning to stabilize. However, a one-month trend is not indicative of future activity.

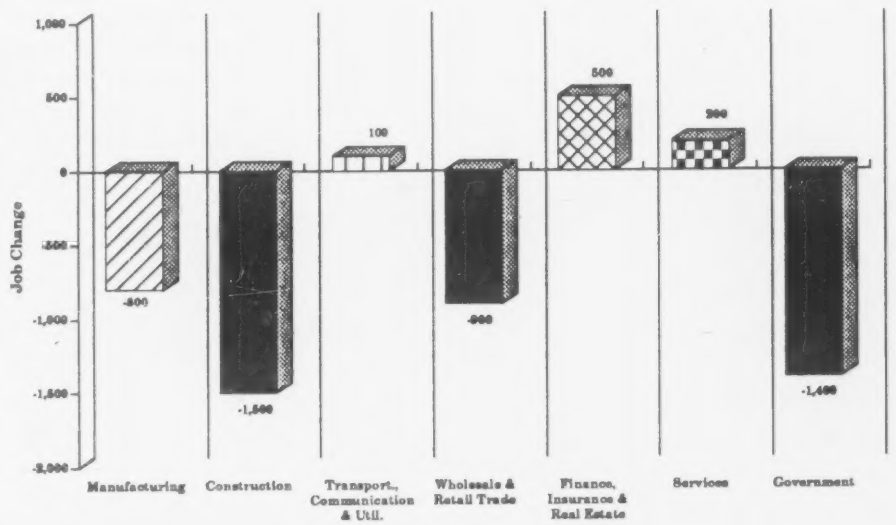
Total nonagricultural employment has declined by 3,800 since May 1990. Job losses since May of last year have been in **contract construction** (general building; and special trades); **government** (federal; state education; and local non-education); **wholesale and retail trade** (general merchandise stores; and eating and drinking places); **manufacturing** (chemicals; and in various durable goods industries). Over the year, employment gains have been in **finance, insurance and real estate** (banking).

Although Delaware shows a loss of 3,800 jobs (first five months of the year) compared to the same period a year ago, there is room for optimism in that there were no significant over-the-month job losses in May. However, there is no indication of permanent job growth in the near future as the effects of the recession linger. Key industries to monitor as indicators of economic change are contract construction, finance, and business services. An economic recovery will add jobs to these sectors.

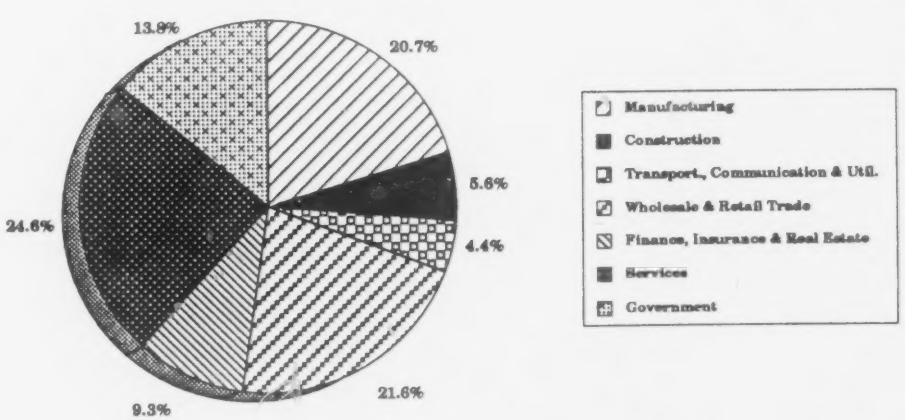
Over the next several months, the Delaware Department of Labor anticipates minimal job growth. The gains will most likely be in industries that usually show summer gains such as restaurants, amusement services, and food processing. Expectations for long-term expansion in the job market do not appear favorable at this time.



Net Job Change By Sector, Delaware May 1990 To May 1991



Percent Of Total Employment By Sector, Delaware, May 1991



Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	May 91	Apr 91	May 90	Net Change to May 1991 from: Apr 91	May 90
TOTAL NONAG. EMPLOYMENT	346.6	337.8	350.4	8.8	-3.8
GOODS PRODUCING	91.1	85.0	93.4	6.1	-2.3
MINING	0.1	0.1	0.1	0.0	0.0
CONTRACT CONSTRUCTION	19.3	19.0	20.8	0.3	-1.5
General Building Contractors	4.7	4.7	5.2	0.0	-0.5
Heavy Construction Contractors	4.0	3.7	3.6	0.3	0.4
Special Trade Contractors	10.6	10.6	12.0	0.0	-1.4
MANUFACTURING	71.7	65.9	72.5	5.8	-0.8
Durable Goods	18.5	12.9	18.8	5.6	-0.3
Primary & Fabricated Metals	3.1	3.2	3.3	-0.1	-0.2
Machinery & Electrical Equipment	1.7	1.8	1.9	-0.1	-0.2
Transportation Equipment	8.1	2.5	7.7	5.6	0.4
Instruments & Related Products	3.0	3.0	3.1	0.0	-0.1
Other Durable Goods	2.6	2.4	2.8	0.2	-0.2
Nondurable Goods	53.2	53.0	53.7	0.2	-0.5
Food & Kindred Products	9.1	8.8	8.7	0.3	0.4
Textile, Apparel, Leather	1.6	1.6	1.6	0.0	0.0
Paper, Printing, Publishing	5.2	5.1	5.2	0.1	0.0
Chemicals	33.5	33.6	34.2	-0.1	-0.7
Petroleum, Coal, Plastics	3.8	3.9	4.0	-0.1	-0.2
SERVICE PRODUCING	255.5	252.8	257.0	2.7	-1.5
TRANSPORTATION & PUBLIC UTILITIES	15.4	15.4	15.3	0.0	0.1
Transportation	10.1	10.1	10.1	0.0	0.0
Railroad Transportation	1.4	1.4	1.4	0.0	0.0
Local & Interurban Passenger Trans.	1.7	1.7	1.8	0.0	-0.1
Trucking & Warehousing	4.8	4.8	4.8	0.0	0.0
Other Transportation	2.2	2.2	2.1	0.0	0.1
Communications & Utilities	5.3	5.3	5.2	0.0	0.1
Communications	2.2	2.2	2.2	0.0	0.0
Electrical, Gas & Sanitary Services	3.1	3.1	3.0	0.0	0.1
WHOLESALE & RETAIL TRADE	74.7	73.7	75.6	1.0	-0.9
Wholesale Trade	13.5	13.4	13.3	0.1	0.2
Wholesale-Durable	7.7	7.7	7.7	0.0	0.0
Wholesale-Nondurable	5.8	5.7	5.6	0.1	0.2
Retail Trade	61.2	60.3	62.3	0.9	-1.1
Building Material & Garden Supplies	2.7	2.7	2.9	0.0	-0.2
General Merchandise Stores	8.3	8.3	8.7	0.0	-0.4
Food Stores	9.4	9.4	9.3	0.0	0.1
Auto Dealers & Service Stations	6.7	6.6	6.7	0.1	0.0
Apparel & Accessory Stores	3.5	3.4	3.4	0.1	0.1
Furniture & Home Furnishings	2.5	2.5	2.6	0.0	-0.1
Eating & Drinking Places	19.6	18.9	20.2	0.7	-0.6
Miscellaneous Retail	8.5	8.5	8.5	0.0	0.0

Cont'd

Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	May 91	Apr 91	May 90	Net Change to May 1991 from: Apr 91	May 90
FINANCE, INSURANCE & REAL ESTATE	32.2	32.2	31.7	0.0	0.5
Finance	23.2	23.2	22.6	0.0	0.6
Depository Institutions	20.3	20.3	19.6	0.0	0.7
Other Finance	2.9	2.9	3.0	0.0	-0.1
Insurance	5.7	5.7	5.6	0.0	0.1
Real Estate	3.3	3.3	3.5	0.0	-0.2
SERVICES	85.3	84.1	85.1	1.2	0.2
Hotels & Other Lodging Places	3.2	3.1	3.1	0.1	0.1
Personal Services	3.3	3.3	3.0	0.0	0.3
Business Services	20.5	20.3	21.1	0.2	-0.6
Automobile & Miscellaneous Repair	3.7	3.6	3.8	0.1	-0.1
Amusement & Recreation Services	3.8	3.4	3.5	0.4	0.3
Health Services	22.6	22.6	22.4	0.0	0.2
Hospitals	11.4	11.4	11.2	0.0	0.2
Other Health Services	11.2	11.2	11.2	0.0	0.0
Legal Services	2.8	2.7	2.9	0.1	-0.1
Educational Services	4.1	4.1	3.9	0.0	0.2
Social Services	6.9	6.8	6.6	0.1	0.3
Engineering & Management Services	5.4	5.3	5.8	0.1	-0.4
Membership Organizations	5.5	5.5	5.4	0.0	0.1
Other Services	3.5	3.4	3.6	0.1	-0.1
GOVERNMENT	47.9	47.4	49.3	0.5	-1.4
Federal Government	5.9	5.9	6.5	0.0	-0.6
State & Local Government	42.0	41.5	42.8	0.5	-0.8
State Government	24.2	23.7	24.6	0.5	-0.4
State Education	9.7	9.2	10.3	0.5	-0.6
State Non-Education	14.5	14.5	14.3	0.0	0.2
Local Government	17.8	17.8	18.2	0.0	-0.4
Local Education	13.4	13.5	13.1	-0.1	0.3
Local Non-Education	4.4	4.3	5.1	0.1	-0.7
Persons Involved In Work Stoppages	0.0	0.0	0.0	0.0	0.0

Current Data Preliminary; Previous Month Revised

What is Education Worth?

Average Monthly Income by Degree Level

	1984	1987		1984	1987
Dropout	$500	$500	Bachelor	$1,725	$1,850
High School	$998	$998	Master	$2,125	$2,400
Vocational/College	$1,075	$1,100	Doctoral	$3,000	$3,675
Associate	$1,300	$1,525	Other Professional	$3,800	$4,000

Source: U.S. Department of Commerce, Bureau of Census, 1987, 1990

Hours and Earnings of Production Workers in Manufacturing Industries

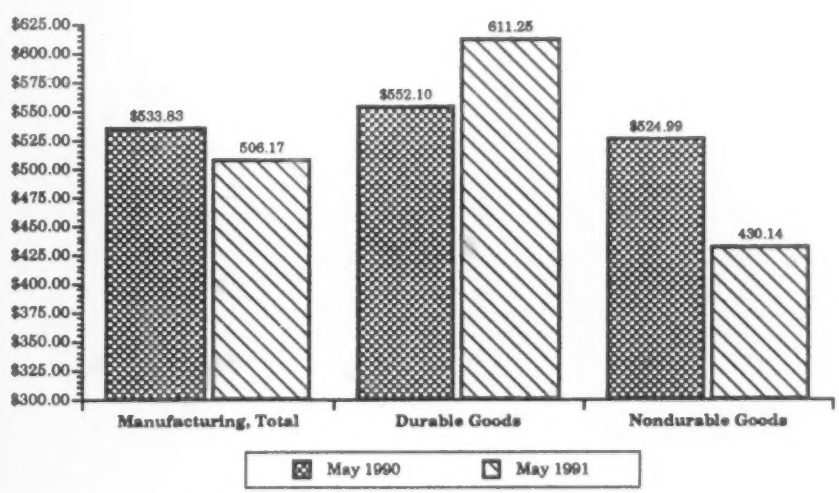
Delaware *

	Weekly Earnings			Weekly Hours			Hourly Earnings		
	May-91	Apr-91	May-90	May-91	Apr-91	May-90	May-91	Apr-91	May-90
MANUFACTURING	$ 506.17	$ 447.23	$ 533.83	40.3	40.4	42.3	$12.56	$ 11.07	$ 12.62
DURABLE GOODS	611.25	475.69	552.10	40.4	38.8	42.6	15.13	12.26	12.96
Primary & Fabricated Metals	436.21	447.27	413.12	37.8	39.2	39.8	11.54	11.41	10.38
Machinery & Electrical Equipment	511.15	512.41	514.76	40.6	40.7	40.5	12.59	12.59	12.71
Transportation Equipment	784.83	724.68	701.24	42.7	39.6	45.3	18.38	18.30	15.48
Instruments & Related	369.40	372.49	366.17	38.6	38.6	39.5	9.57	9.65	9.27
Other Durable Goods	349.67	346.45	350.06	35.9	36.7	39.6	9.74	9.44	8.84
NONDURABLE GOODS	430.14	435.66	524.99	40.2	41.1	42.1	10.70	10.60	12.47
Food & Kindred Products	330.08	327.96	313.82	40.6	42.1	38.6	8.13	7.79	8.13
Textile, Apparel, Leather	335.78	332.50	369.67	38.2	38.0	42.2	8.79	8.75	8.76
Paper, Printing, and Publishing	398.21	398.58	406.45	36.3	36.4	38.2	10.97	10.95	10.64
Chemicals	633.18	638.91	645.92	42.1	42.2	44.0	15.04	15.14	14.68
Petroleum, Coal, Plastics	423.69	458.81	481.58	40.7	43.0	43.9	10.41	10.67	10.97

*Covers an estimated 33,200 Production Workers

Current Data Preliminary; previous month revised

Delaware Average Weekly Earnings for Manufacturing Production Workers



The Department of Labor Serving You Better. . .

Office of Occupational and Labor Market Information

In early July, the Office of Occupational and Labor Market Information announced the average weekly wage in Delaware for calendar year 1990 was $468.58. This represents a 5.1% increase over the 1989 figure of $445.81. Delaware's average yearly wage for 1990 was $24,366, compared to $23,182 in 1989.

In early June the Office of Occupational and Labor Market Information began the State's most extensive occupational employment wage survey, encompassing over 2,100 Delaware employers. In conjunction with the U.S. Department of Labor, the Delaware Department of Labor is one of 13 states plus the District of Columbia, Guam, and Puerto Rico to conduct the survey, which covers employers in the following industries: Transportation, Communication, and Public Utilities; Wholesale and Retail Trade; Educational Services; and State and Local Government.

The current survey is part of a three-year study in which approximately one-third of all industries is sampled each year. The survey asks employers to provide occupational titles and corresponding wage ranges for all of their employees. All information provided will be summarized, and will not identify specific employers.

The second phase of the survey will take place in 1992, covering the Manufacturing and Hospitals industries. The final segment, including Nonmanufacturing industries such as Finance, Insurance, and Real Estate, will be conducted in June of 1993.

Division of Unemployment Insurance

In June, Governor Michael N. Castle signed into law a bill raising the maximum weekly benefit amount (MWBA) for Unemployment Insurance claimants by $20. Designed by the Unemployment Compensation Advisory Council, HB 273 raises the MWBA from $225.00 to $245.00 a week, effective July 1. The Unemployment Compensation Advisory Council includes representatives of business, organized labor, the Legislature, and the Castle administration.

Despite higher benefit payments, Delaware employers will not see higher tax bills to compensate for larger payouts. Instead, the Unemployment Insurance Trust Fund has been safeguarded with an enhanced "trigger" mechanism. If the Trust Fund falls below $150 million, the MWBA will be reduced to $225.00 a week. If the fund drops below $90 million, the MWBA will be further reduced to $205.00 a week. The Fund currently contains approximately $220 million. Higher benefit payments are expected to cost the Fund an additional $4 million a year.

Division of Industrial Affairs

A bill overhauling Delaware's child labor statutes was signed into law by Governor Castle on July 16. SB 107, sponsored by Senator Herman M. Holloway, Sr. and Representative Steven C. Taylor, restricts teenagers under the age of 18 in the number of hours they can work, the types of occupations they can hold and the types of equipment they can use. The bill brings Delaware's child labor law closer to the Federal statutes, thereby reducing confusion on the part of employers who are required to comply with both.

Highlights of the bill:

- While school is in session, 14- and 15-year-olds cannot work before 7 a.m. or after 7 p.m.; more than four hours a day on a school day; more than 18 hours a week; or more than six days in a given week.
- While school is in session, 16- and 17-year-old employees may not spend more than 12 hours combined in work and school in a given day; and must have at least eight consecutive hours of non-work, non-school time in each 24-hour day.
- It is unlawful for an employer to retaliate against an employee who files a complaint or testifies against an employer.

Changes in the Workplace: Impact on Delaware Women

Demographic, technological, and economic changes in the workforce will have considerable impact on Delaware women over the next decade.

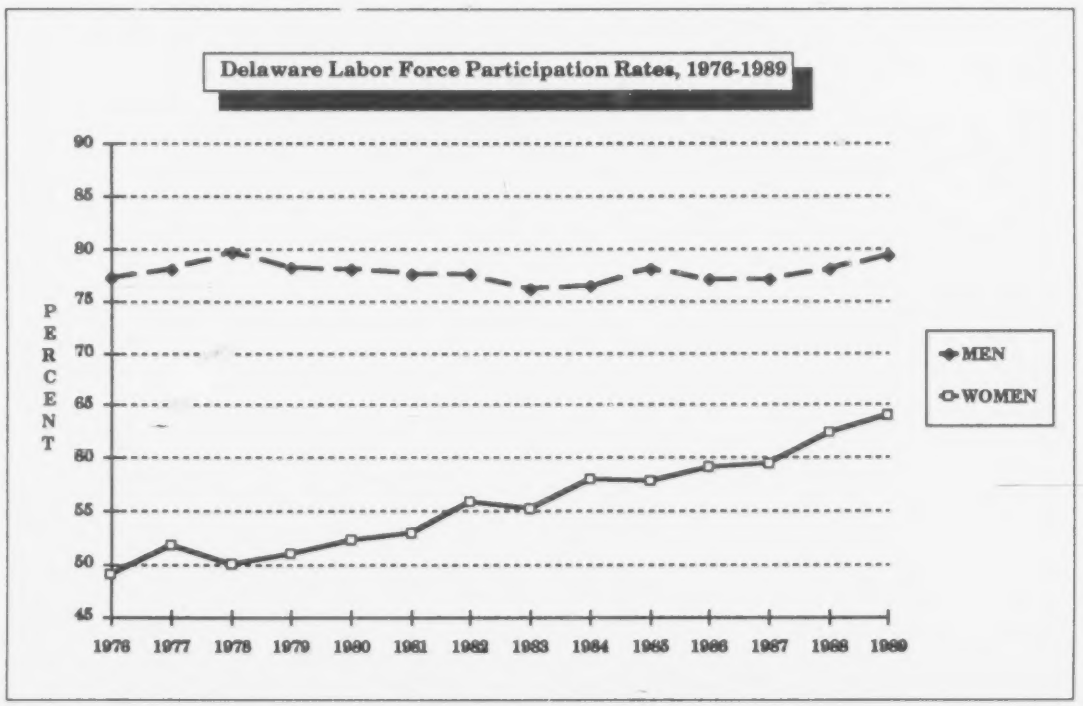
Workforce 2000, a national study by the Hudson Institute, indicates that 80% of new entrants into the national workforce during the next 10 years will be women, minorities, and immigrants. Nationally, 3/4th of all women over age 26 will be working in the year 2000. Key policy issues will include day care, elder care, transportation, flex-time, health care (including maternity leave), and stay-at-home jobs.

Delaware's population is aging. Between 1990 and 2000, the number of Delaware women aged 25-34 will decline about 11%, while the number of women aged 45-64 is expected to significantly increase by over 35 percent. As this happens, and the labor market tightens, more reliance will have to be placed on the retention and retraining of older female workers.

Sixty percent of all entrants into the workforce during the next 20 years are projected to be women, which will have a major impact on child care and elder care issues. Currently, three-fourths of those caring for the elderly are women, and more than half of these women also work outside the home. Nearly 40% are still raising children of their own. The average American woman will spend 17 years raising children and 18 years helping aged parents--creating a new "sandwich" generation.

The strains of caregiving are showing up in the workplace: Fourteen percent of female caregivers to the elderly have switched from full-time employment to part-time. Twelve percent have left the workforce entirely.

The labor force participation rate for Delaware women rose from 52.2% in 1980 (ranking 29th nationally) to 63.9% in 1989 (3rd nationally). (Labor force participation rate is the percent of women in Delaware over age 16 in the labor force.)



Office of Occupational and Labor Market Information

Since 1980, participation by selected age groups has increased substantially:

	1980	1989
35-44	66.1%	80.6%
45-54	59.6%	73.8%
55-64	41.1%	47.4%

Delaware faces a major challenge of increasing its already high female participation rate by enticing female workers back into the workforce through re-entry training programs, more attractive benefit packages (including child care and elder care), and flexible working hours.

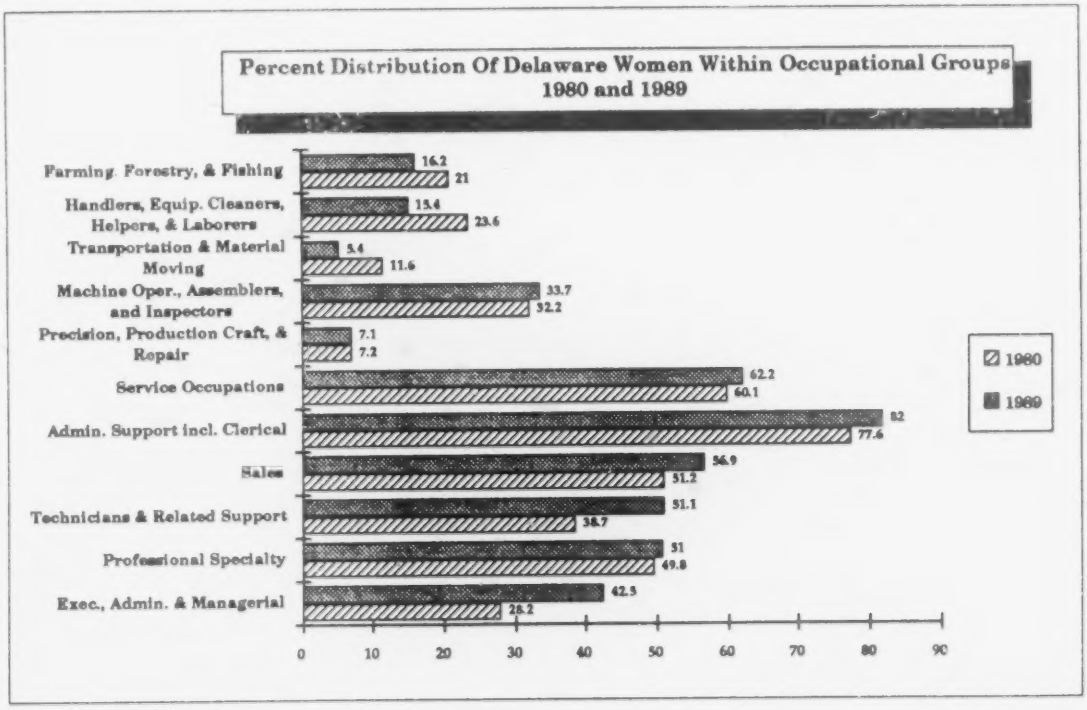
Women hold 69.4% of all part-time positions. However, the number of Delaware women working full time has increased by 81% since 1980.

The Delaware unemployment rates for men and women have moved together fairly consistently over the past few years:

Delaware Annual Average Unemployment Rates, Men vs. Women

Year	Total	Men	Women
1984	6.2	5.8	6.6
1985	5.3	5.0	5.6
1986	4.3	4.4	4.3
1987	3.2	3.0	3.4
1988	3.2	3.4	2.9
1989	3.5	3.8	3.2
1990	5.1	5.6	4.6

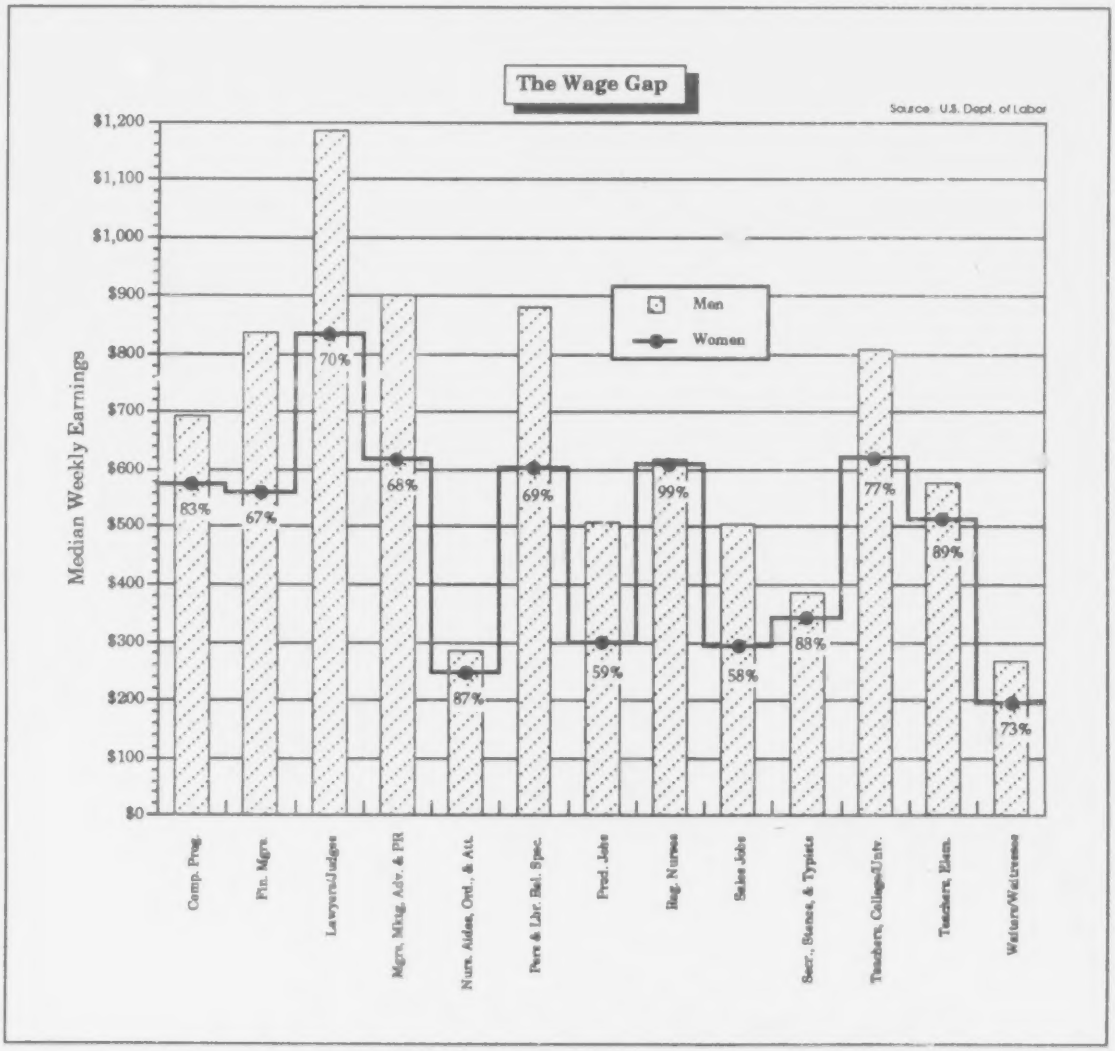
The percentage of total Delaware jobs held by women rose from 43.4% in 1980 to nearly 48% in 1989. The percentage of women in executive, administrative, and managerial occupations rose from 28.2% in 1980 to 42.5% in 1989. Over one-half of Delaware's professional jobs (i.e., doctors, lawyers, economists, teachers, registered nurses, engineers, and social workers) are now held by women. However, four of every five clerical jobs are still held by women. Very few Delaware women work in blue-collar jobs.



Today, three of every 100 top executive jobs, on average, at the largest U.S. companies, are held by women.

Women still earn less than men in almost every field, even those dominated by females, despite more than two decades of battles for equal opportunity. Nationally, women's earnings averaged $17,065 in 1989, about 70.1% of men's, up from 63.4% in 1980. Median weekly earnings of women by occupation ranged from lows of 58% and 59% of men's earnings in sales and production jobs to highs of 89% and 99% of men's earnings for teachers and registered nurses (traditionally female jobs).

Some contributing factors to the wage gap might be that more women are working part-time than men; fewer women than men are holding higher-paying blue-collar jobs; women still dominate the lower-paying clerical and service jobs; women lack seniority due to their recent rapid re-entry into the workplace, and rising educational costs prohibit lower-income women from gaining necessary skills for job placement and advancement.



Office of Occupational and Labor Market Information

Unemployment Insurance Statistics

	May 1991	April 1991	May 1990	% Change From Prior Month	% Change From Year Ago
Initial Claims-Total *	6,557	6,386	2,510	2.7%	161.2%
Auto Makers	3,181	2,464	0	29.1%	\\\\\\\
Non-Auto	3,376	3,922	2,510	-13.9%	34.5%
Weeks Claimed **	32,091	50,828	16,342	-36.9%	96.4%
Auto Makers	3,415	15,438	0	-77.9%	\\\\\\\
Non-Auto	28,676	35,390	16,342	-19.0%	75.5%
First Payments #	1,409	1,643	827	-14.2%	70.4%
Final Payments ##	486	469	203	3.6%	139.4%
Weeks Compensated @	31,514	47,360	15,094	-33.5%	108.8%
Amount Compensated	$5,404,275	$8,650,958	$2,449,210	-37.5%	120.7%
Average Weekly Check Amount	$171.49	$182.66	$162.26	-6.1%	5.7%

* **Initial Claims** include New Initial Claims and Additional Initial Claims. A New Initial Claim is filed when a person becomes unemployed and files for unemployment insurance for the very first time in a benefit year. Additional Initial Claims are filed when someone has already filed a New Initial Claim due to unemployment, returned to work for at least a week, and then become unemployed again.

** **Weeks Claimed** account for the total number of weeks claimed for unemployment insurance within a given month.

\# **First Payments** are New Initial Claims that receive unemployment compensation checks.

\#\# **Final Payments** occur when a claimant receives the last check in his or her benefit cycle (not to exceed one year).

@ **Weeks Compensated** account for the number of Weeks Claimed that were paid during the month.

Total Initial Claims remained fairly stable from April to May, although non-auto related claims fell nearly 14 percent. Historically, Delaware's initial claims count has tended to fall from April to May due to seasonal hiring, so by this measure, there is no clear indication that the recession is ending.

Weeks Claimed declined significantly, which would appear to indicate that some of the unemployed are returning to work more rapidly. Auto workers accounted for a large portion of this return to work as the auto plants were not idled as long in May as they had been in April.

The average weekly check amount of those receiving payments declined by over $11 in May due to a lower percentage of claims from auto workers. Virtually all auto workers receive the maximum $225 weekly benefit payment; therefore, the average check amount rises when workers are laid off. Auto workers accounted for 10.6% of all weeks claimed in May, down from 30.4% in April.

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